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BALFOUR BEATTY AGM TRADING UPDATE

Ahead of today's Annual General Meeting, Balfour Beatty announces an update on trading for the period 1 January 2022 to date.

Group performance and 2022 outlook

Overall trading has been in line with expectations, including continued strong cash performance.

At the end of March, the Group's order book was £15.6 billion (December 2021: £16.1 billion) which includes the recent award of the \$698 million (c. £530 million) Fort Meade design and construct contract in Maryland by the US Army Corps of Engineers. Bidding discipline continues in favourable infrastructure markets which, together with Balfour Beatty's focus on its expert capabilities, is maintaining the Group's higher quality order book.

The Board continues to have confidence the Group will deliver managed growth in profits in 2022, building on the £181 million delivered by the earnings-based businesses (Construction Services and Support Services) in 2021. Infrastructure Investments has a number of asset disposals planned this year that are expected to meet the Group's return requirements.

Over the first four months of 2022, the average monthly closing net cash balance increased to around £800 million (full year 2021 average: £671 million, December 2021 net cash balance: £790 million). On completion of the 2022 share buyback, and some expected normalisation of working capital, average monthly net cash for the full year is expected to be moderately lower than the first four months of the year.

Operational update

At Construction Services, operational performance is in line with expectations despite some continuing COVID-19 related restrictions in Hong Kong. UK Construction remains on track to deliver industry standard margins of 2-3% for the 2022 full year. In the US, a significant milestone was reached on the Green Line Extension project in Boston, with the successful completion of one of two lines along the new 4.7-mile light-rail route. US Construction is anticipated to deliver a 1-2% margin for the 2022 full year.

In Support Services the power, road and rail maintenance businesses continue to perform well and in line with the margin target of 6-8%, albeit on a slightly lower revenue base following the strategic withdrawal from the gas and water sector. In the period, the rail business agreed the year four work programme with Network Rail at c. £120 million as part of the 10-year Central Rail Systems Alliance track renewals programme.

At Infrastructure Investments, several attractive asset investment opportunities are in the pipeline. Disposals are expected to commence towards the end of the first half and continue throughout the second half of the year.

Capital allocation framework

As part of its multi-year share buyback programme, through the first four months of the year, the Group has acquired just under £19 million of its shares and expects to complete the full £150 million share buyback for 2022 by year end.

Quote

Leo Quinn, Balfour Beatty Group Chief Executive, said: “We remain confident that the Group is well positioned for 2022 and beyond. Our business portfolio has been transformed to focus on the growing infrastructure markets of the UK, US, and Hong Kong - each underpinned by strong government investment programmes. The strength of our balance sheet and the higher quality of our order book will enable us to maximise these opportunities for profitable growth while remaining resilient to the current macro-economic challenges.”

ENDS

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Notes to editors:

- Balfour Beatty is a leading international infrastructure group with 24,500 employees driving the delivery of powerful new solutions, shaping thinking, creating skylines and inspiring a new generation of talent to be the change-makers of tomorrow.
- We finance, develop, build, maintain and operate the increasingly complex and critical infrastructure that supports national economies and deliver projects at the heart of local communities.
- Over the last 113 years we have created iconic buildings and infrastructure all over the world including: the £1.5 billion A14 improvement scheme - Britain’s biggest road project; Hong Kong’s HK\$5.5 billion world-class harbour theatre project for the West Kowloon Cultural District Authority; and the 12.5 mile \$429 million North Metro Commuter Rail line in Colorado, US.